

TENNESSEE STATE BOARD OF EQUALIZATION
BEFORE THE ADMINISTRATIVE JUDGE

IN RE: William A. & Shirley Glover)
 Map 161-09-0, Parcel 7.00) Davidson County
 Residential Property)
 Tax Year 2006)

INITIAL DECISION AND ORDER

Statement of the Case

The subject property is presently valued as follows:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$50,000	\$174,600	\$224,600	\$56,150

An appeal has been filed on behalf of the property owner with the State Board of Equalization. The undersigned administrative judge conducted a hearing in this matter on January 25, 2007, in Nashville, Tennessee. In attendance at the hearing were William and Shirley Glover, the appellants who represented themselves, and Jason Poling, Residential Appraiser for the Davidson County Assessor's Office.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Subject property consists of a single family residence constructed about 1965 located at 5448 San Marcos Drive in Nashville, Tennessee.

The taxpayer contended that subject property should be valued at \$170,000. In support of this position, the taxpayer argued that the home is over 30 years old; it was purchased for \$38,600, the current taxes on the home are more than his "house note was and that included taxes, insurance, interest and principal". Mr. Glover contends that the property tax is 18% of his retirement income and it is just too much. He questions the accuracy of the appraisal if no one has actually been in his home to appraise it. Mr. Glover also stated that many seniors who are on a limited income are having difficulty paying their property taxes and many end up losing their homes to taxes. Mr. Glover does not feel that the money that is being produced by the property taxes is being spent properly by the government.¹ Mr. Glover feels that there is misuse in some of the services by the government and that poor taxpayers are suffering because of this misuse.

¹ Mr. Glover points out "Our property taxes-State of Tennessee, Davidson County, Nashville, Tennessee are not suppose to be used for any sports venue, financial support, any what-so-ever. With all the revenue going out of the State to the following 1.Football Stadium—Bud Adams—Texas; 2. Gaylord Ctr.-Ice Hockey [sic]—Greg Lepiold—Wisconsin; 3. Nashville Sounds-Glen Yeager—Chicago".

The assessor contended that subject property should remain valued at \$224,600 based on the presumption of correctness that attaches to the decision of the Davidson County Board of Equalization.

The basis of valuation as stated in Tennessee Code Annotated Section 67-5-601(a) is that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values"

After having reviewed all the evidence in the case, the administrative judge finds that the subject property should be valued at \$224,600. While the taxpayers reasoning may be correct in his assertions and analysis of the tax situation in the county, he has chosen the wrong forum. The purpose of this hearing is to determine if the values set by the County Board of Equalization are an accurate reflection of the market value of the property.

Since the taxpayer is appealing from the determination of the Davidson County Board of Equalization, the burden of proof is on the taxpayer. See State Board of Equalization Rule 0600-1-.11(1) and *Big Fork Mining Company v. Tennessee Water Quality Control Board*, 620 S.W.2d 515 (Tenn. App. 1981).

The administrative judge finds that the fair market value of subject property as of January 1, 2006 constitutes the relevant issue. The administrative judge finds that the Assessment Appeals Commission has repeatedly rejected arguments based upon the amount by which an appraisal has increased as a consequence of reappraisal. For example, the Commission rejected such an argument in *E.B. Kissell, Jr.* (Shelby County, Tax Years 1991 and 1992) reasoning in pertinent part as follows:

The rate of increase in the assessment of the subject property since the last reappraisal or even last year may be alarming but is not evidence that the value is wrong. It is conceivable that values may change dramatically for some properties, even over so short of time as a year. . .

The best evidence of the present value of a residential property is generally sales of properties comparable to the subject, comparable in features relevant to value. Perfect comparability is not required, but relevant differences should be explained and accounted for by reasonable adjustments. If evidence of a sale is presented without the required analysis of comparability, it is difficult or impossible for us [administrative judges] to use the sale as an indicator of value. . . . Final Decision and Order at 2. Moreover, the Assessment Appeals Commission has ruled that taxes are irrelevant to the issue of value. See *John C. & Patricia A. Hume*, (Shelby Co., Tax Year 1991).

Mr. Glover produced a newspaper article discussing the median prices of the single family residences in Davidson County as well as very general information on to 'property transfers' of 2 properties in the Melrose area. Respectfully and regrettably, the administrative judge finds Mr. Glover has not sustained his burden. There are generally three (3) recognizable and acceptable approaches for the determination of market value. Mr. Glover did not perform any analysis on the properties he submitted and did not use any paired data analysis, the most acceptable approach for the determination of residential property, to substantiate his contention of value for his home.

ORDER

It is therefore ORDERED that the following value and assessment be adopted for tax year 2006:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$50,000	\$174,600	\$224,600	\$56,150

It is FURTHER ORDERED that any applicable hearing costs be assessed pursuant to Tenn. Code Ann. § 67-5-1501(d) and State Board of Equalization Rule 0600-1-.17.

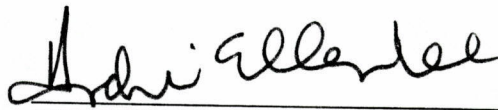
Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review; or

3. A party may petition for a stay of effectiveness of this decision and order pursuant to Tenn. Code Ann. § 4-5-316 within seven (7) days of the entry of the order.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 27th day of February, 2007.



ANDREI ELLEN LEE
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

c: William A. & Shirley Glover
Jo Ann North, Assessor of Property